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# RESERVE FORCES

## Army Needs to Finalize an Implementation Plan and Funding Strategy for Sustaining an Operational Reserve Force



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Highlights of [GAO-09-898](#), a report to congressional committees

## Why GAO Did This Study

Since September 11, 2001, the Army has heavily used its reserve components—the Army National Guard and Army Reserve—for ongoing operations even though they were envisioned and resourced to be strategic reserves. A congressional commission, the Department of Defense (DOD), and the Army have concluded the Army will need to continue to use its reserve components as an operational force. The transition will require changes to force structure as well as manning and equipping strategies that could cost billions of dollars. The 2009 Defense Authorization Act directed GAO to study this transition. This report provides additional information on (1) progress and challenges the Army faces, (2) to what extent the Army has estimated costs for the transition and included them in its projected spending plans, and (3) the effect of the operational role on the Guard's availability to state governors for domestic missions.

GAO examined planning, policy, and budget documents, and relevant sections of Titles 10 and 32 of the U.S. Code; and met with DOD, Army, reserve component, and state officials.

## What GAO Recommends

GAO recommends that the Army finalize an implementation plan and cost estimates for the transition to an operational force, and include transition costs in its funding plans. In comments on a draft of this report, DOD agreed with GAO's recommendations.

[View GAO-09-898 or key components.](#)  
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## RESERVE FORCES

### Army Needs to Finalize an Implementation Plan and Funding Strategy for Sustaining an Operational Reserve Force

#### What GAO Found

The Army is changing the organization and missions of some of its reserve units to provide more operational forces, and is increasing their personnel and equipment, but faces challenges in achieving the predictable and sustainable mobilization cycle envisioned for an operational force, primarily due to the high pace of operations. The Army is reorganizing its reserve units to match their active counterparts, is changing the missions of some units, has made plans to add over 9,000 personnel by 2013, and has requested almost \$23 billion for reserve equipment since 2003. To guide the transition, DOD has established principles and policies, such as a 1-year limit on reserve mobilizations, and set a goal of providing reservists 5 years between mobilizations. However, heavy operational demands have meant that many reservists have had significantly less than 5 years between mobilizations. To make the most of the limited mobilization time available, DOD directed the services to provide sufficient resources to support reserve forces to be nearly ready to deploy before mobilization. In the past, reserve component forces often required significant time after mobilization to prepare individuals and units for deployment. However, the Army is continuing to need to improve readiness after mobilization by addressing medical and dental issues, or transferring personnel and equipment from nondeployed units to fill shortfalls. Until demand eases, it seems unlikely that the Army will be able to achieve the mobilization cycle it initially envisioned for the reserves.

The Army developed initial cost estimates for transitioning its reserve components to an operational role, but has not budgeted for most of the costs it identified. A 2008 estimate identified costs of about \$24 billion over a 6-year period from 2010 to 2015 to increase full-time support personnel, training days, recruiting and retention incentives, and installation support, among others. However, because the Army has not yet established the specific equipping, manning, and training levels required of an operational reserve, it is difficult to assess the estimate's validity. The Army established a task force to develop an implementation plan for the transition, and Army leadership is currently reviewing a draft plan and awaiting the results of other studies, such as a review of full-time support needs. However, pending the results of these studies and agreement on an implementation plan, the Army does not expect to budget for such costs until 2012. Best practices have shown that effective and efficient operations require detailed plans outlining major implementation tasks, metrics and timelines to measure success, and a comprehensive and realistic funding strategy. Until the Army finalizes an implementation plan and fully estimates the transition costs, and includes these costs in its projected spending plans, it will be difficult to assess the Army's progress in transitioning its reserve component to a sustainable operational force.

The operational role has reduced the Guard's availability for domestic missions, but the effect on the states remains unclear because states mitigate shortfalls with mutual support agreements and requirements for some domestic missions remain undefined.

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# Contents

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<b>Letter</b>		<b>1</b>
	Background	6
	The Army Has Taken Steps to Adapt the Reserve Components, but It Faces Challenges in Achieving a Sustainable Mobilization Cycle and Meeting Premobilization Readiness Standards	11
	The Army Has Estimated and Budgeted for Some Costs to Transition Its Reserve Components to an Operational Force, but Has Not yet Finalized an Implementation Plan and Funding Strategy	28
	States Use Mutual Support Agreements to Mitigate Effects of National Guard Deployments, although Some Domestic Requirements Remain Undefined	36
	Conclusions	37
	Recommendations for Executive Action	38
	Agency Comments and Our Evaluation	39
<b>Appendix I</b>	<b>Scope and Methodology</b>	<b>41</b>
<b>Appendix II</b>	<b>Comments from the Department of Defense</b>	<b>44</b>
<b>Appendix III</b>	<b>GAO Contact and Staff Acknowledgments</b>	<b>47</b>
<b>Related GAO Products</b>		<b>48</b>
<b>Tables</b>		
	Table 1: Mobilization Authorities for Reserve Forces	7
	Table 2: Cost Estimates to Transition the Reserve Components to an Operational Force	31
<b>Figures</b>		
	Figure 1: Army Force-Generation (ARFORGEN) Model	9

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Figure 2: Army Reserve Component Members on Active Duty from September 2001 to June 2009 in Support of Operations Noble Eagle, Iraqi Freedom, and Enduring Freedom	22
Figure 3: Number of Army Reserve Component Soldiers Available for Deployment in Fiscal Year 2011 under Currently Planned Force Structure at Varying Average Amounts of Time between Mobilizations	23

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United States Government Accountability Office  
Washington, DC 20548

September 17, 2009

The Honorable Carl Levin  
Chairman  
The Honorable John McCain  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Daniel K. Inouye  
Chairman  
The Honorable Thad Cochran  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate

The Honorable Ike Skelton  
Chairman  
The Honorable Howard P. McKeon  
Ranking Member  
Committee on Armed Services  
House of Representatives

The Honorable John P. Murtha  
Chairman  
The Honorable C.W. Bill Young  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
House of Representatives

Since the terrorist attacks of September 11, 2001, the demand for Army forces has been high, and the Army has relied heavily upon its reserve components—the Army National Guard and the Army Reserve—to meet operational requirements. As of May 2009, about 475,000 members of the Army’s reserve components had been activated for ongoing operations in Iraq and Afghanistan as well as other missions worldwide, representing the largest activation of reservists since the Korean War. The high pace of operations has meant that the reserve components’ Cold War role has evolved from a strategic reserve that would be used to supplement active

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duty forces in the event of extended conflict to an operational force characterized by ongoing rotational deployments.<sup>1</sup>

As a strategic reserve, the reserve components were not maintained to be immediately ready for deployment, and it was expected that they would receive additional equipment, personnel, and training after they were mobilized.<sup>2</sup> However, as an operational force, reserve units need to build and maintain readiness prior to mobilization to support recurring deployments. Some capabilities that have been in especially high demand for stability and counterinsurgency operations, such as civil affairs and psychological operations, reside heavily in the reserve component, creating an especially high pace of operations for reservists with these skills. In 2006, the Department of Defense's (DOD) Quadrennial Defense Review established that to use the reserve components as a viable operational force, reservists and units must be more accessible and readily deployable.<sup>3</sup> In 2008, the congressionally chartered Commission on the National Guard and Reserves found there was no reasonable alternative to increased reliance on the reserve components given the current threats, fiscal challenges, projected demand for forces, and the unique capabilities resident in the reserves.<sup>4</sup> In that same year, U.S. Army Forces Command similarly concluded that using the reserve components as an operational force was the Army's best option for meeting its needs. According to the Army, other options available including full mobilization, significantly enlarging the active component, and maintaining or adapting the strategic reserve were infeasible, impractical, or unsustainable.<sup>5</sup> DOD has acknowledged that the reserve component is now an integral part of the operating force, in addition to its strategic reserve role, and the Army is undertaking initiatives designed to enhance the capability of both active

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<sup>1</sup>Deployment is the movement of forces and materiel to desired operational areas.

<sup>2</sup>Mobilization is the process of assembling and organizing personnel and equipment, activating units and members of the reserves for active duty, and bringing the armed forces to a state of readiness for war or other national emergency.

<sup>3</sup>Department of Defense, *2006 Quadrennial Defense Review Report* (Washington, D.C., Jan. 6, 2006).

<sup>4</sup>Commission on National Guard and Reserves, Final Report to Congress and the Secretary of Defense, *Transforming the National Guard and Reserves into a 21st-Century Operational Force* (Jan. 31, 2008).

<sup>5</sup>Commanding Officer, United States Army Forces Command, Memorandum, *Concept Plan for Army Initiative 4 (AI4); Transition the Reserve Components (RC) to an Operational Force* (Feb. 25, 2008).

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and reserve forces and to provide a more predictable deployment schedule.

Over the last few years, we have examined the effects of expanded mission requirements on the Army National Guard and Army Reserve, including their new operational roles in supporting both large-scale, long-duration overseas operations and emerging domestic requirements. In July 2005, we reported that, while the Army Reserve has provided ready forces to support military operations since September 11, 2001, it was becoming increasingly difficult to continue to provide these forces due to personnel and equipment shortages.<sup>6</sup> In October 2005, we reported that the high pace of operations has also caused a strain on the Army National Guard's equipment inventories that could be used for domestic missions.<sup>7</sup> In September 2006, we testified before the congressionally chartered Commission on National Guard and Reserves<sup>8</sup> that equipment shortages and personnel challenges have increased in the National Guard and Army Reserve, which if left unattended may hamper the reserve components' preparedness for future overseas and domestic missions.<sup>9</sup> In January 2007, we further reported that planning for the National Guard's response to large-scale, catastrophic events is not complete and that the National Guard may not be prepared to respond as efficiently and effectively as possible to domestic events.<sup>10</sup> We have also previously reported that the operational readiness of reserve forces has been hampered by long-standing problems with reservists' medical and physical condition and that DOD is unable to determine the extent to which the reserve force has

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<sup>6</sup>GAO, *Reserve Forces: An Integrated Plan Is Needed to Address Army Reserve Personnel and Equipment Shortages*, [GAO-05-660](#) (Washington, D.C.: July 12, 2005).

<sup>7</sup>GAO, *Reserve Forces: Plans Needed to Improve Army National Guard Equipment Readiness and Better Integrate Guard into Army Force Transformation Initiatives*, [GAO-06-111](#) (Washington, D.C.: Oct. 4, 2005).

<sup>8</sup>Congress chartered this commission to assess the reserve component of the U.S. military and to recommend changes to ensure the National Guard and other reserve components are organized, trained, equipped, compensated, and supported to best meet the needs of U.S. national security.

<sup>9</sup>GAO, *Reserve Forces: Army National Guard and Army Reserve Readiness for 21st Century Challenges*, [GAO-06-1109T](#) (Washington, D.C.: Sept. 21, 2006).

<sup>10</sup>GAO, *Reserve Forces: Actions Needed to Identify National Guard Domestic Equipment Requirements and Readiness*, [GAO-07-60](#) (Washington, D.C.: Jan. 26, 2007).



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complied with routine examinations due to a lack of complete or reliable data.<sup>11</sup> A list of related GAO products is included at the end of this report.

The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009<sup>12</sup> directed GAO to report on the use of the Army's reserve components as an operational reserve. Specifically, we were asked to include in our report a description of current and programmed resources, force structure, and any organizational challenges that the Army's reserve components may face serving as an operational reserve including challenges related to force structure; manning; equipment availability, maintenance, and logistics issues; and any conflicts with requirements under Title 32 of the United States Code.<sup>13</sup> We satisfied that mandate by providing a briefing on our preliminary observations addressing these issues to the congressional defense committees in June 2009.<sup>14</sup> This report provides additional information related to the questions addressed in response to the mandate. Specifically, this report examines: (1) steps the Army has taken and the challenges it faces in transitioning its reserve force structure, manning, and equipping, and logistics strategies,<sup>15</sup> (2) the extent to which the Army has estimated costs required for the reserve components' transition to the operational role and included these in its budget and Future Years Defense Program,<sup>16</sup> and (3) the effect of the

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<sup>11</sup>GAO, *Military Personnel: Top Management Attention Is Needed to Address Long-standing Problems with Determining Medical and Physical Fitness of the Reserve Force*, [GAO-06-105](#) (Washington, D.C.: Oct. 27, 2005).

<sup>12</sup>Pub. L. No. 110-417, §343 (2008).

<sup>13</sup>We were also directed to evaluate the extent to which the Army's training facilities and ranges—including the combat training centers, military schools, and skill training courses—support the transition of the reserve components to an operational force. Training issues are addressed in GAO, *Reserve Forces: Army Needs to Reevaluate Its Approach to Training and Mobilizing Reserve Component Forces*, [GAO-09-720](#) (Washington, D.C.: July 17, 2009).

<sup>14</sup>GAO, *Preliminary Observations on Army's Transition of Its Reserve Components to an Operational Role, Briefing for the House and Senate Armed Services Committees and the House and Senate Appropriations Committees' Subcommittees on Defense*, [GAO-09-780R](#) (Washington, D.C.: June 1, 2009).

<sup>15</sup>For purposes of this report, we define the transition of the Army's reserve components to an operational force as including those steps necessary to adapt the Army's institutions and resources to support cyclical readiness requirements and implement the "train-mobilize-deploy" model consistent with Annex I (Transition the RC into an Operational Force) to Army Campaign Plan 2009 (Coordinating Draft) (May 1, 2009).

<sup>16</sup>The Future Years Defense Program is DOD's centralized report on current and planned resource allocations.

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National Guard's federal operational role on its availability to state governors for domestic missions.

To determine the extent to which the Army has modified the force structure as well as the manning and equipping strategies of its reserve components to meet the requirements of the operational role, and to identify the challenges, if any, the Army faces in completing the transition, we reviewed Army plans and policy documents, reports of the Commission on the National Guard and Reserves, and DOD reports to Congress on related initiatives and issues. We also reviewed program and policy documents and interviewed officials with DOD, Army, National Guard Bureau, Army National Guard, Army Reserve, U.S. Army Forces Command, and First Army. Further, we incorporated information from surveys of a nonprobability sample of 24 Army National Guard or Army Reserve units, as well as follow-up interviews with officials from 15 of these units.<sup>17</sup> The surveys and interviews addressed a range of training, equipment, and personnel issues. To evaluate the current and projected resources for transitioning the reserve components to the operational role, we reviewed current Army plans, policy and budget documents, DOD's fiscal year 2009 supplemental appropriations request, and DOD's fiscal year 2009 and 2010 budget requests. To determine the effect of the National Guard's federal operational role on its availability to state governors for domestic missions, we reviewed relevant sections of Titles 10 and 32 of the United States Code and conducted interviews with the National Guard Bureau and offices of the Adjutants General of four states (Virginia, Missouri, Washington, and Florida). We selected states that had a history of major disaster declarations and that also contained units that are in demand for both overseas and domestic missions. We conducted this performance audit from July 2008 through July 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The scope and methodology used in our review are described in further detail in appendix I.

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<sup>17</sup>Results from nonprobability samples cannot be used to make inferences about a population, because in a nonprobability sample some elements of the population being studied have no chance or an unknown chance of being selected as part of the sample.

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## Background

In fiscal year 2008, the Army Reserve and Army National Guard had about 197,000 and 360,400 soldiers, respectively, comprising 51 percent of the total Army, which also includes the active component. The Army organizes, trains, and equips its reserve components to perform assigned missions. The Army Reserve is a federal force that is organized and trained primarily to supply specialized combat support and combat service support skills to combat forces.<sup>18</sup> The Army National Guard is composed of both combat forces and units that supply support skills, but in contrast to the Army Reserve, the Army National Guard has dual federal and state missions. When not called to active duty for a federal mission, Army National Guard units remain under the command and control of the governors, typically training for their federal mission or conducting state missions. In addition, National Guard forces can be mobilized under Title 32 of the United States Code for certain federally funded, domestic missions conducted under the command of the governors such as providing security at the nation's airports in the immediate aftermath of the September 11 terrorist attacks and assisting the Gulf Coast in the aftermath of Hurricane Katrina. Both reserve components are composed primarily of citizen soldiers who balance the demands of civilian careers with part-time military service.

Reserve forces may be involuntarily called to active duty under three mobilization authorities. As shown in table 1, the President may involuntarily mobilize forces under two authorities with size and time limitations. Full mobilization, which would authorize the mobilization of forces for as long as they are needed, requires a declaration by Congress.

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<sup>18</sup>Combat support units provide fire support and operational assistance to combat forces, whose primary missions are to participate in combat. Combat service support refers to the essential capabilities, functions, activities, and tasks necessary to sustain all elements of operating forces on the battlefield (e.g., supply, maintenance, health, transportation, and other services required by aviation and ground combat troops to assist those units in accomplishing their combat missions).

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**Table 1: Mobilization Authorities for Reserve Forces**

Statute	Provisions
10 U.S.C. 12301(a) “Full Mobilization”	Declared by Congress: In time of war or national emergency No limit on numbers of soldiers called to active duty For duration of war or emergency plus 6 months
10 U.S.C. 12302 “Partial Mobilization”	Declared by the President: In time of national emergency No more than 1,000,000 reservists can be on involuntary active duty No more than 24 consecutive months
10 U.S.C. 12304 “Presidential Reserve Call-up”	Determined by the President: To augment the active duty force for operational missions or to provide support to certain emergencies No more than 200,000 members of the Selected and Individual Ready Reserves can be on active duty No more than 365 days

Source: GAO analysis of U.S. Code provisions.

In September 2001, following President Bush’s declaration of a national emergency resulting from the terrorist attacks of September 11, 2001, DOD issued mobilization guidance that, among other things, allowed the services to mobilize reservists for up to 24 cumulative months under the President’s partial mobilization authority. In January 2007, the Secretary of Defense issued updated guidance on the utilization of the force that, among other things, limits involuntary reserve component mobilizations to no more than 1 year at a time.<sup>19</sup>

During the Cold War, the Army’s reserve components principally operated as a force in reserve, or strategic reserve, that would supplement active forces in the event of extended conflict. Members of the reserves generally served 39 days a year—1 weekend a month and an additional 2 weeks of duty. In addition, the reserve components have a small number of full-time personnel, Active Guard and Reserve personnel and military technicians, that perform the necessary day-to-day tasks such as maintaining unit equipment and planning training events that reserve units need to accomplish in order to maintain readiness for their mission and be able to

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<sup>19</sup>Secretary of Defense Memorandum, *Utilization of the Total Force* (Jan. 19, 2007).

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deploy.<sup>20</sup> The Army's resourcing strategy for a strategic reserve provided reserve units with varying levels of resources according to the priority assigned to their federal warfighting missions. Most reserve component units were provided with between 65 and 74 percent of their required personnel and 65 to 79 percent of their required equipment. This approach assumed that most reserve component forces would have a lengthy mobilization period with enough time to fully man, equip, and train their units after they were mobilized to attain the high level of operational readiness necessary for deployment.

Since September 11, 2001, however, the demand for Army forces and capabilities has been high, especially to support ongoing operations in Iraq and Afghanistan. Recognizing that its forces were being stressed by the demands of lengthy and repeated deployments, the Army has adopted a new force-generation model intended to improve units' readiness over time as they move through phased training to prepare to be ready for a potential deployment. This contrasts with the previous approach in which, as a strategic reserve, units' personnel and equipment levels were maintained below warfighting readiness levels until they were mobilized. Under the Army's new model, the early phases of the cycle will entail formation and staffing of the unit and beginning individual and collective training, while later phases will concentrate on larger unit training. Figure 1 illustrates the planned movement of units through the reset, train/ready, and available phases of the Army force-generation model.

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<sup>20</sup>Full-time Active Guard and Reserve personnel are Army National Guard and Army Reserve soldiers who are on voluntary active duty or full-time National Guard duty providing full-time support for the purpose of organizing, administering, recruiting, instructing, or training the reserve components. Military Technicians are federal civilian employees providing full-time support for administration, training, and maintenance in reserve component organizations/units. Dual-status military technicians are required to maintain membership in a reserve component as a condition of employment, while certain non-dual-status technicians are not subject to that requirement.

**Figure 1: Army Force-Generation (ARFORGEN) Model**



Source: GAO analysis of Army data.

Under the Army's force-generation model as designed, reserve component units would be available for deployment for 1 year with 5 years between deployments. After returning home from a deployment, units remain in the

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reset phase for a fixed 1-year period and focus on restoring personnel and equipment readiness so that they can resume training for future missions. Following the reset phase, units enter the train/ready phases in which they progressively increase their training proficiency by completing individual and collective training tasks. As designed in the force-generation model, reserve component units remain in the train/ready phases for 4 years, although the amount of time is not fixed and may be reduced to meet operational demands. Upon completion of the train/ready phases, units enter the available year in which they can be mobilized to meet specific mission requirements. Under current DOD policy, involuntary reserve component mobilizations are limited to no more than 1 year in length. The force-generation process requires increasing resources for units to use in training to gain higher levels of proficiency prior to mobilization.

In 2008, DOD published a new directive on managing the reserve components as an operational force. The directive provides the following definition of the reserve components as an operational force:

“The reserve components provide operational capabilities and strategic depth to meet U.S. defense requirements across the full spectrum of conflict. In their operational roles, reserve components participate in a full range of missions according to their Services’ force-generation plans. Units and individuals participate in missions in an established cyclic or periodic manner that provides predictability for the combatant commands, the Services, Service members, their families and employers. In their strategic roles, reserve component units and individuals train or are available for missions in accordance with the national defense strategy. As such, the reserve components provide strategic depth and are available to transition to operational roles as needed.”<sup>21</sup>

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<sup>21</sup>Department of Defense Directive 1200.17, *Managing the Reserve Components as an Operational Force* (Oct. 29, 2008).

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## The Army Has Taken Steps to Adapt the Reserve Components, but It Faces Challenges in Achieving a Sustainable Mobilization Cycle and Meeting Premobilization Readiness Standards

The Army has made a number of changes to its force structure, as well as to its manning and equipping strategies to better position its reserve components for the operational role. However, given the current high pace of operations, the Army has faced challenges in achieving sustainable mobilization rates for its citizen soldiers and in readying personnel and units before they are mobilized in order to maximize their availability to operational commanders after deployment.

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## The Army Has Taken Steps to Modify the Reserve Components' Force Structure for the Operational Role

The Army has made four force-structure changes to better position its reserve components for the operational role.

- First, the Army is undertaking a major reorganization—called the modular force initiative—designed to make Army forces more flexible and responsive by reorganizing combat and combat support forces from a division-based force to smaller, more numerous, modular brigade formations with significant support elements. In contrast to the Army's previous division-based force with many different types of unique forces, the modular forces were designed to be standardized and interoperable so forces could be more easily tailored to meet operational needs. Under the modular reorganization, National Guard and Army Reserve units are to have the same designs, organizational structures, and equipment as their active component counterparts so that they can be operationally employed in the same manner as active component units. The Army reported in its 2009 Campaign Plan that it has converted or begun converting 256 (84 percent) of the 303 planned brigade formations.<sup>22</sup> However, the Army has been focused on equipping and staffing units to support ongoing operations in Iraq and Afghanistan and the equipment and personnel levels in nondeployed units have been declining. Further, as previously reported, the Army does not have a plan with clear milestones in place to guide

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<sup>22</sup>Department of the Army, *The Army Campaign Plan 2009* (FOUO) (Feb. 19, 2009).



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efforts to equip and staff units that have been converted to the modular design,<sup>23</sup> and the Army now anticipates that the converted modular units will not be fully staffed and equipped until 2019—more than a decade away. Furthermore, without adequate planning, the Army risks cost growth and further timeline slippage in its efforts to transform to a more modular and capable force.

- The Army is changing the missions of some Army organizations and retraining soldiers to produce more soldiers and units with high-demand skills. For example, the Army is decreasing its supply of air defense, armor, and field artillery capabilities in order to increase its supply of special operations, civil affairs, and military police capabilities. The Army began these rebalancing efforts in fiscal year 2003 after military operations in response to the September 11, 2001, terrorist attacks generated high demand for certain forces. Among those forces in high demand were certain combat support and combat service support forces such as military police and transportation units. These support forces, which are also called enablers, reside heavily in the reserve components. The goals of rebalancing included helping to ease stress on units and individuals with high-demand skills and meeting the Army's goal of executing the first 30 days of an operation without augmentation from the reserve component. As part of the rebalancing plan, the Army National Guard is converting six brigade combat teams into four maneuver enhancement brigades<sup>24</sup> and two battlefield surveillance brigades<sup>25</sup> that will perform combat support roles. As of February 2009, the Army reported that it had completed rebalancing 70,400 positions, about 50 percent of the approximately 142,300 positions scheduled to be rebalanced by 2015 across the active and reserve components.
- The Army is also increasing personnel within the reserve components. In January 2007, the Secretary of Defense announced an initiative to expand the total Army by approximately 74,200 soldiers to better meet long-term operational requirements, sustain the all-volunteer force, and build towards a goal of 5 years between mobilizations for the reserve components. This initiative is expected to add 8,200 soldiers to the Army

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<sup>23</sup>GAO, *Force Structure: The Army Needs a Results-Oriented Plan to Equip and Staff Modular Forces and a Thorough Assessment of Their Capabilities*, [GAO-09-131](#) (Washington, D.C.: Nov. 14, 2008).

<sup>24</sup>Maneuver enhancement brigades are designed as a unique multifunctional command and control headquarters to perform maneuver support, consequence management, stability operations, and support area operations for the supported force.

<sup>25</sup>Battlefield surveillance brigades are designed to conduct reconnaissance, surveillance, target acquisition, and intelligence operations to build the common operational picture in order to focus joint combat power and effects.

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National Guard by 2010; 65,000 soldiers to the active component by fiscal year 2010; and 1,000 soldiers to the Army Reserve by 2013. The Secretary of Defense expects that with a larger force, individuals and units will, over time, deploy less frequently and have longer times at home between deployments. However, we have previously reported that the Army has not developed a comprehensive funding plan for the expansion initiative and that, lacking a complete and accurate plan, Congress and other decision makers may not have the information they need to consider the long-term costs and benefits associated with increasing Army personnel levels or gauge the amount of funding that should be appropriated to implement the initiative.<sup>26</sup>

- The Army eliminated some reserve force-structure positions that previously had been intentionally unfilled, largely for budgetary reasons. Specifically, the Army's force-structure rebalancing, which began in fiscal year 2003, and the modular transformation efforts that began in 2004 reduced the force structure allowances for the Army National Guard by 7 percent from 376,105 to 349,157 and Army Reserve by about 4 percent from 213,324 to 205,028 between 2005 and 2009.<sup>27</sup> Concurrently, the Army's Grow the Force plan increased the Army National Guard's size by almost 2 percent from 352,700 soldiers in fiscal year 2007 to 358,200 by fiscal year 2010 and the Army Reserve's size by 3 percent from 200,000 soldiers in fiscal year 2007 to 206,000 by 2013. When the reserve components were solely a strategic reserve, the Army routinely authorized units to be assigned fewer personnel than would be required for their wartime mission under the assumption that units could receive additional personnel when mobilized. By reducing the number of units, the Army was able to authorize the remaining units to be more fully manned.

DOD established a policy in 2008 to promote and support the management of the reserve components as an operational force.<sup>28</sup> The policy directed the services to align reserve component force structures, to the extent practicable, with established DOD goals for frequency and duration of utilization for units and individuals. In addition, the policy instructs the service Secretaries to manage their reserve components such that they provide operational capabilities while also maintaining strategic depth to

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<sup>26</sup> GAO, *Force Structure: Need for Greater Transparency for the Army's Grow the Force Initiative Funding Plan*, [GAO-08-354R](#) (Washington, D.C.: Jan. 18, 2008).

<sup>27</sup> Force-structure allowances are the number of unit spaces that can be manned with personnel.

<sup>28</sup> Department of Defense Directive 1200.17, *Managing the Reserve Components as an Operational Force*, (Oct. 29, 2008).

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meet U.S. military requirements across the full spectrum of conflict. Further, the policy directs the Secretaries to ensure sufficient depth of reserve component unit and individual capabilities to meet DOD's established force-utilization goals. Those goals include planning for involuntary mobilizations of guard and reserve units such that they receive 5 years at home for every 1 year they are mobilized.

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**The Army Has Adapted Personnel Strategies for the Reserve Components' Operational Role, but It Has Not Modified Requirements for Full-Time Support Staffing**

The Army has adapted the strategies that it uses to staff its reserve components for the operational role, which requires Army reserve component units to achieve higher levels of personnel readiness and maintain a more stable cadre of personnel than they did as part of a strategic reserve. The Army has increased the number of personnel in reserve component units, given units higher priority for personnel as they near availability for deployment in the rotational cycle, established some personnel readiness goals, and modified its recruiting and retention strategies.

The operational role has several implications for how the Army staffs its reserve component units. First, as an operational force, Army reserve component units are now expected to be available to deploy for 1 year with 5 years between deployments and more frequently when the Army faces increased demand for forces by the combatant commanders. To prepare for regular deployments, the Army now expects its reserve component units to progressively increase their personnel readiness on a cyclical basis as they near availability for deployment. The Army determines a unit's personnel readiness level by comparing the unit's level of available strength to the number of personnel required by the unit. Available strength is the portion of the unit's assigned strength that is available for deployment to accomplish the unit's assigned wartime mission. To be available, these personnel must meet a number of administrative, medical, and dental requirements and must meet their individual qualifications.<sup>29</sup> As an operational force, reserve component units need to make efficient use of training time before deployment and build a cohesive force needed to achieve collective training proficiency.

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<sup>29</sup>For example, Army guidance currently requires combat arms units to deploy with at least 90 percent of their assigned personnel, and combat support and combat service support units to deploy with at least 80 percent of assigned personnel. In addition, 100 percent of the soldiers who mobilize and deploy with a unit must meet Army soldier readiness requirements, including medical and dental standards, administrative criteria, and occupational specialty qualification.

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## The Army Has Increased the Number of Personnel in Reserve Component Units

DOD's policy that the service Secretaries program and execute resources as required to support a "train-mobilize-deploy" model means that units need to achieve high levels of personnel readiness and complete most of their training requirements prior to mobilization. This approach to training and mobilization contrasts with the strategic reserve's "mobilize-train-deploy" approach in which units would be brought up to full personnel strength and soldiers' medical and dental issues would be addressed after mobilization. To implement the train-mobilize-deploy model, the Army has found that it needs to stabilize unit personnel by the time the unit is alerted for deployment or as early as possible in the force-generation cycle so that the unit can attain as much collective training proficiency as possible prior to mobilization. This approach allows the unit to minimize postmobilization training time and provide as much availability as possible to theater commanders.

To staff reserve component units more fully, the Army has increased the percentage of required personnel that are assigned to reserve component units above strategic reserve levels and has established a long-range goal of achieving full personnel strength throughout the force-generation cycle for reserve components.<sup>30</sup> As discussed previously, the Army decreased the size of its reserve components' force structures while also increasing their end strength,<sup>31</sup> which allowed remaining units to be more fully manned. Also, the Army has modified its approach to assigning personnel to reserve component units by giving units nearing deployment priority over other units in the assignment of soldiers and establishing some personnel readiness requirements for deploying units.<sup>32</sup>

Despite these changes, the Army has not adopted any overarching, uniform personnel readiness levels that units must achieve as they progress through each phase of the force-generation cycle. The Army has established some interim personnel readiness goals for units participating

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<sup>30</sup>Department of the Army, *The Army Campaign Plan 2009* (FOUO) (Feb. 19, 2009).

<sup>31</sup>End strength is the maximum number of personnel each of the military services is authorized to have on the last day of a fiscal year.

<sup>32</sup>Deploying combat units must have 90 to 100 percent of their required personnel available for deployment, and 85 to 100 percent of their required senior-grade personnel and 85 to 100 percent of their personnel qualified in their military occupational specialty upon arrival to their mobilization station. Deploying support units must have 80 to 89 percent of their required personnel available for deployment, and 75 to 84 percent of their required senior-grade personnel and 75 to 84 percent of their personnel qualified in their military occupational specialty upon arrival to their mobilization station.

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## The Reserve Components Have Established New Recruiting and Retention Initiatives

in a “RESET pilot” program.<sup>33</sup> However, the Army reported in its 2009 Campaign Plan that current high global demands for Army forces are preventing units from achieving specific readiness levels as they progress through the phases of the force-generation cycle.<sup>34</sup> The Army plans to evaluate units in the pilot program through 2010 and use this information to identify lessons learned and determine what levels of personnel readiness will be required of reserve component units as they progress through the force-generation cycle.

The reserve components have established several new initiatives to meet the recruiting and retention goals of an operational force. Both components have established incentives for current soldiers to recruit others. The Army National Guard established the Guard Recruiting Assistance Program in which every Army National Guard member can function as a recruiter. The program provides a \$2,000 monetary incentive to Guard soldiers for every new person they recruit who begins basic combat training. The Army Reserve’s Recruiting Assistance Program also provides a \$2,000 monetary incentive to soldiers for every new person they recruit. Both components are also implementing targeted bonus programs to increase retention for soldiers with high-demand occupational specialties and for certain officer grades.

Other Army National Guard recruitment and retention efforts include

- the Recruit Sustainment Program, which is designed to keep recruits interested in the Army National Guard as well as increase their preparedness while awaiting training, and
- the Active First Program, which is a pilot initiative in which soldiers are recruited to serve for an 8-year period which includes serving 3 years in the active component and 5 years in the Army National Guard.

Additional Army Reserve recruitment and retention initiatives include

- a conditional release policy designed to control the number of reservists who leave the Army Reserve to enter the active Army, Army National Guard, or other service components;

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<sup>33</sup> Interim goals for all units in the pilot program are to have 80 percent of their aggregate assigned personnel and 75 percent of senior grade personnel by the time they exit the RESET phase and to attain the highest level of personnel readiness as they enter the last phase of the cycle when they are available for mobilization and deployment.

<sup>34</sup> Department of the Army, *The Army Campaign Plan 2009* (FOUO) (Feb. 19, 2009).

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The Army Has Established  
Initiatives to Improve Reserve  
Component Personnel  
Readiness and Unit Stability

- an education stabilization program which synchronizes new soldiers with a unit in the appropriate phase of the force-generation cycle so that the soldier can complete his/her college degree without the interruption of mobilization; and
- an employer partnership initiative in which soldiers are recruited to train and serve in the Army Reserve for a particular occupational specialty and work in a related occupation for one of the civilian employers that participate in this initiative.

Further, the Army and its reserve components have begun several other initiatives to improve personnel readiness and unit stability prior to mobilization and improve the execution of the “train-mobilize-deploy” model required by DOD for an operational force. Although these initiatives are in various stages of implementation, and it is too early to assess their effectiveness, some of the steps that the Army and its reserve components have taken include the following:

- The Army has established a goal of issuing alert orders to reserve component units at least 12 months prior to their mobilization in order to provide them enough time to attain required levels of ready personnel for deployment. Army data show that the Army has increased the amount of notice it provides to mobilizing Army National Guard units from an average of 113 days in 2005 to 236 in 2008.
- The Army Reserve began implementing the Army Selected Reserves Dental Readiness System in 2008 to reduce the number of nondeployable soldiers across the force by providing annual dental examinations and dental treatment for all soldiers regardless of their alert or mobilization status.
- To reduce personnel attrition and increase unit stability prior to unit mobilizations without the use of stop-loss,<sup>35</sup> the Army National Guard’s Deployment Extension Stabilization Pay program, when implemented, will make some soldiers eligible to receive up to \$6,000 if they remain with their unit through mobilization and 90 days following demobilization. The initiative is scheduled to begin in September 2009. The Army Reserve is considering a similar program.

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<sup>35</sup> Stop-loss refers to a policy the Army initiated in June 2004 and applies to personnel in units identified for deployment in support of Operation Iraqi Freedom or Operation Enduring Freedom. The policy prevents soldiers from separating or retiring from the Army from 90 days prior to mobilization for reserve component soldiers until 90 days after they return from deployment. The Secretary of Defense has announced that stop loss will be phased out in August 2009 for Army Reserve soldiers and September 2009 for Army National Guard soldiers.

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The Army Has Not Established Full-Time Support Staffing Needs for the Operational Role

To improve medical readiness across the reserve components, the Army National Guard is pilot testing an initiative—the Select Medical Pre-Deployment Treatment Program—that will provide limited medical treatment at no cost to eligible<sup>36</sup> medically nondeployable soldiers in Army National Guard and Army Reserve units alerted for deployment. If the Army determines that the pilot is successful, it will consider expanding the program across the reserve components.

Although the shift to the “train-mobilize-deploy” model increases the importance of the premobilization readiness tasks performed by full-time support staff, the Army has not modified its full-time support staffing requirements to reflect the needs of the operational role, and the reserve component units face difficulties in performing key readiness tasks at current staff levels. As of May 2009, the Army had not reevaluated the reserve components’ requirement for the full-time staff that are needed to perform key readiness tasks on a day-to-day basis in light of their new operational role. With most members of the Army National Guard and Army Reserve serving 2 days a month and 2 weeks out of the year, the reserve components rely on a small number of full-time personnel to perform the day-to-day tasks such as maintaining unit equipment and planning training events that reserve units need to accomplish in order to maintain readiness for their mission and be able to deploy. The Army Reserve Forces Policy Committee,<sup>37</sup> U.S. Army Forces Command,<sup>38</sup> and the Commission on National Guard and Reserves have reported that insufficient full-time support levels place the operational force at risk.<sup>39</sup>

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<sup>36</sup>TRICARE is the health care program serving active duty service members, National Guard and Reserve members, retirees, their families, survivors, and certain former spouses. To be eligible for treatment under the pilot, soldiers must have correctable medical conditions and must not otherwise be eligible for care provided under TRICARE.

<sup>37</sup>Army Reserve Forces Policy Committee, *ARFPC White Paper on Full-time Support* (Washington, D.C., 2007). Governed by Section 10302 of Title 10 of the U.S. Code, the Army Reserve Forces Policy Committee is a committee within the Office of the Secretary of the Army. The committee is responsible for reviewing and commenting on any major policy matters directly affecting the reserve components and mobilization preparedness of the Army. The committee’s comments on such matters are forwarded to the Secretary of the Army and the Chief of Staff.

<sup>38</sup>Commanding Officer, United States Army Forces Command, Memorandum, *Concept Plan for Army Initiative 4 (AI4); Transition the Reserve Components (RC) to an Operational Force* (Feb. 25, 2008).

<sup>39</sup>Commission on National Guard and Reserves, *Transforming the National Guard and Reserves into a 21st-Century Operational Force* (Jan. 31, 2008).

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The Army's reserve components are not authorized the number of full-time personnel needed to meet the requirements established for their strategic role, and requirements for the operational role have not been determined. For fiscal year 2010, the Army National Guard and Army Reserve required about 119,000 full-time support positions but were only authorized 87,000 positions, or about 73 percent of the requirement. The current full-time support requirement is based on a manpower study conducted in 1999 when the reserve components were still primarily a strategic reserve. In subsequent years, the Army reviewed and adjusted the manpower analysis but it did not conduct an analysis that incorporated the needs of an operational reserve. The last review performed was completed in 2006, prior to the issuance of the Secretary of Defense policy that limited involuntary mobilizations to 1 year and before an increased emphasis was placed on premobilization readiness. In 2007, the Army directed a study designed, in part, to measure the readiness benefit to the Army of increasing its reserve components' full-time support. However, because of data limitations, the Army could not quantify the effect of full-time support on unit readiness. As a result, the Army initiated an additional study to determine the link between full-time support levels and unit readiness before including additional funding for full-time support in future budget requests. Specifically, the Army has commissioned a study to assist it with identifying the existing requirements for full-time support, determining how the Army National Guard and Army Reserve have met these requirements in the past, and developing analytical links between full-time support and unit readiness. The Army does not plan to make any decision on full-time support resource levels until after this study is completed in September 2009.

Mobilization of certain full-time support staff with dual roles as full-time support staff and deployable members of reserve units who perform key logistics and maintenance tasks has also created maintenance and readiness challenges for the Army's reserve components. In the National Guard and Reserve Equipment Report for 2009, DOD reported that the average staffing of Army Reserve maintenance activities<sup>40</sup> is at approximately 60 percent of requirements, and currently about 25 percent of the assigned staff is deployed. According to the report, mobilization of Army National Guard full-time support staff has resulted in an overall reduction of 71 percent of maintenance technician staffing during

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<sup>40</sup>The Area Maintenance Support Activities perform unit-level maintenance beyond the unit's capability to perform due to time restraints and required training.



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mobilization. The Army National Guard often hires temporary technicians to replace maintenance technicians who are mobilized. However, state National Guards, on average, hire only one temporary technician for every five maintenance technicians mobilized, due to the cost involved. To mitigate the maintenance backlog, the Army Reserve continues to use contractors, contracted maintenance support, and commercially available services.

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### The Army Has Adapted Its Strategy for Equipping Deploying Reserve Units

The Army has adapted its strategy for equipping its reserve components for the operational role by establishing a long-term equipping goal and, until it reaches this goal, giving units priority for equipment as they near their availability for deployment. Over the long term, the Army has established a goal of equipping all reserve units with 100 percent of their requirements by the end of fiscal year 2019. However, because the Army's need for equipment currently exceeds the available supply, and equipment shortages are expected to continue for a number of years, the Army prioritizes the distribution of equipment to units that are deployed and preparing to deploy consistent with its force-generation model.<sup>41</sup> In addition, under the new "train-mobilize-deploy" model, reserve component units are also expected to complete most of their training requirements prior to mobilization so that they can provide as much time as possible to theater commanders within the 12-month limit on involuntary mobilizations. To accomplish these goals, the Army has established interim policies and guidance for equipping reserve component units. First, the Army intends for a unit to have 80 percent of its required equipment 365 days after the unit returns from deployment. Second, the Army has directed commanders to ensure that units report to the mobilization station with 90 to 100 percent of their required equipment.<sup>42</sup>

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<sup>41</sup>The Army determines a unit's equipment readiness based on the extent to which a unit has been assigned its required warfighting equipment and those items are in working order.

<sup>42</sup>According to *The 2009 Army Campaign Plan*, current operational demands are preventing the Army from reaching specific readiness goals established through the force-generation cycle at this time.

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Given Current Operational Demands and Army Force-Sizing Decisions, Reserve Component Forces Face Challenges in Achieving the Secretary of Defense's Goals for a Sustainable Mobilization Schedule and Premobilization Readiness

The Army faces challenges in limiting the frequency of mobilizations and increasing both personnel and unit readiness given the high pace of current operations.

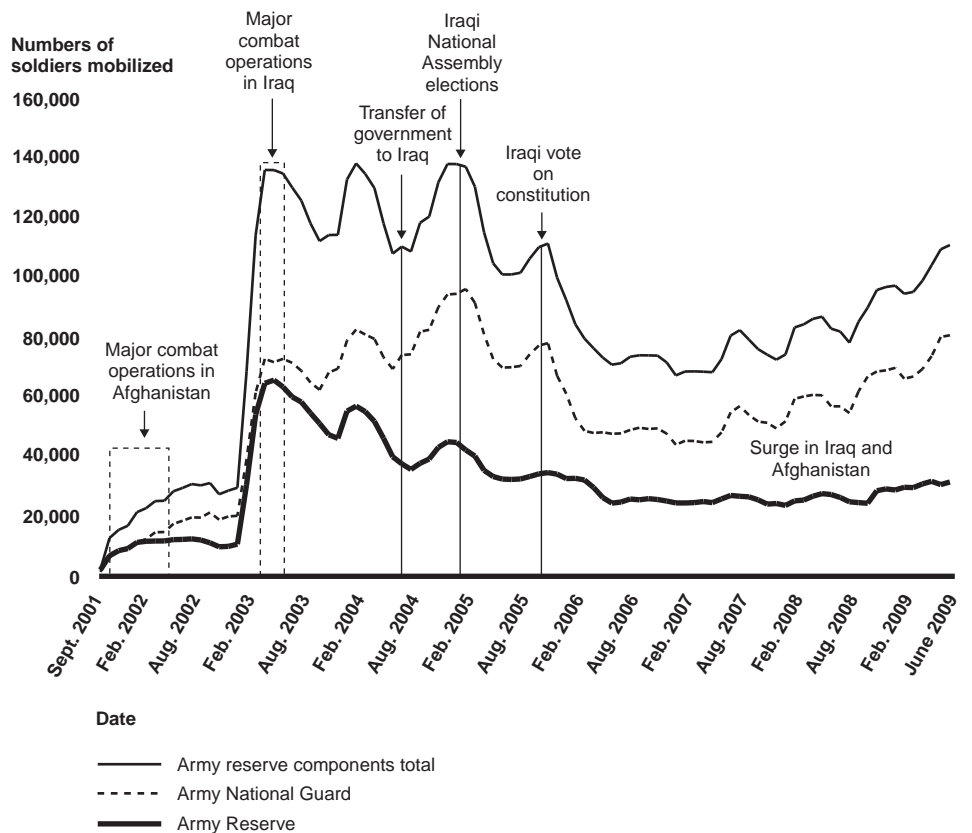
The Army Faces Challenges in Achieving a Sustainable Mobilization Schedule

Despite changes to its force structure, manning, and equipping strategies, at the current pace of operations, the Army's reserve component force structure does not allow the Army to reach the Secretary of Defense's goal of providing reservists 5 years demobilized for each year mobilized. As figure 2 shows, the Army's reserve components have experienced a continued high level of mobilizations since 2001 in support of Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom.<sup>43</sup>

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<sup>43</sup> Operations to defend the United States from terrorist attacks are known as Operation Noble Eagle. Overseas operations to combat terrorism are known as Operation Enduring Freedom, which takes place principally in Afghanistan, and Operation Iraqi Freedom, which takes place in and around Iraq.

**Figure 2: Army Reserve Component Members on Active Duty from September 2001 to June 2009 in Support of Operations Noble Eagle, Iraqi Freedom, and Enduring Freedom**

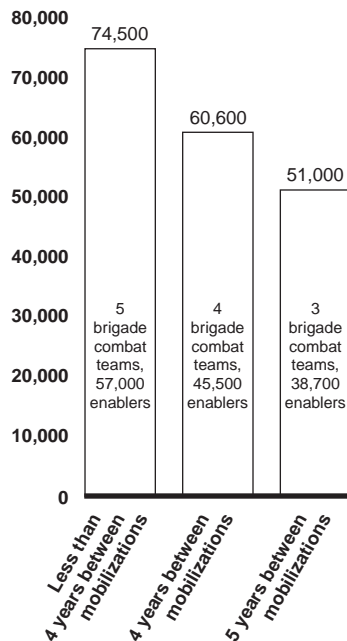


Source: GAO analysis of Army data.

As of June 2009, more than 110,000 Army National Guard and Army Reserve soldiers were mobilized in support of these operations. Due to this high demand for forces, the Army has only been able to provide its reserve component soldiers with less than 4 years at home between mobilizations on average. For example, many capabilities such as civil affairs, psychological operations, military police, transportation, and adjutant general companies and detachments are in high demand, so units with these skills are being mobilized much more frequently, sometimes with less than 3 years between deployments. Although unit mobilization frequency differs on a case-by-case basis, nearly all types of units are being mobilized more frequently than the Secretary's goal of no more than 1 year mobilized every 5 years. For reserve component forces to be provided 5

years at home between mobilizations given the current force structure, the total number of Army reserve component soldiers mobilized would have to decline by about 54 percent of the soldiers mobilized as of June 2009 to approximately 51,000 soldiers. As figure 3 below shows, the number of reserve component soldiers that could be available for deployment decreases as the required average amount of time between mobilizations increases.

**Figure 3: Number of Army Reserve Component Soldiers Available for Deployment in Fiscal Year 2011 under Currently Planned Force Structure at Varying Average Amounts of Time between Mobilizations**



Source: GAO analysis of Army data.

Note: Data are from the Department of the Army Force File (July 1, 2008).

The Army's current plans for its reserve component force structure would provide soldiers about 4 years at home between mobilizations, which is more than the current pace allows but less than the 5 year goal. According to Army officials, the current high pace is not expected to be permanent and the Army must balance mobilization frequency goals with the need to meet current operational demands, maintain capabilities to perform the full range of missions expected under the National Military Strategy, and remain within the constraints of mobilization policies and force-size limitations, as well as expected future budgets. The Army currently

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### Challenges Remain in Achieving Desired Levels of Personnel Readiness and Unit Stability

projects that the high pace of operations will continue through fiscal year 2013, but it does not project when the Army will be able to achieve the Secretary's goal of 5 years between deployments. As a result, the Army has accepted the risk more frequent reserve mobilizations may pose to its personnel recruitment and retention in order to be better positioned to achieve its other goals.

Although officials report that the Army reserve component units are meeting the Army's required levels of ready personnel by the time that they deploy, the reserve component units continue to have difficulty in achieving goals for personnel readiness and unit stability prior to mobilization. As a result, the Army has had to continue to take steps to build readiness after mobilization. However, the Army has found that addressing issues such as medical and dental problems after mobilization may disrupt predeployment training and reduce the amount of time units are able to be provided to theater commanders under current limits on involuntary mobilizations. The Army has begun to implement additional initiatives to improve personnel readiness and unit stability but it is too early to evaluate their effectiveness.

Reserve component units continue to have difficulty in achieving personnel readiness and unit stability goals before they are mobilized because of the number of soldiers who do not meet medical, dental, and individual training qualification requirements as well as personnel attrition. A 2008 Army study of the pre- and postmobilization preparation of five Army National Guard brigade combat teams that mobilized between October 2007 and January 2008<sup>44</sup> found that none of the five units met deployment standards for the levels of personnel with individual training qualifications and medical readiness when they arrived at their mobilization stations. The study also found that these units had experienced significant attrition, with an average of 59 soldiers leaving their units per month between the time they were alerted for mobilization and 90 days before mobilization when the Army's stop-loss policy prevented them from leaving the Army.

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<sup>44</sup>Army Forces Command, *Pre- and Post-Mobilization Comprehensive Review: 4+1 Brigade Combat Teams (BCT)*, 2008. Forces Command conducted this review at the request of the Secretary of Defense and the Vice Chief of Staff of the Army between March and May of 2008. The review focused on the four most recent Army National Guard BCTs to mobilize, as well as the 39th BCT from Arkansas, which was specifically requested by the Secretary of Defense. The other four BCTs studied included the 27th BCT from New York, the 37th BCT from Ohio and Michigan, the 45th BCT from Oklahoma, and the 76th BCT from Indiana.

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As a result of the challenges faced in achieving desired personnel readiness levels, the Army and its reserve components have had to continue taking steps to improve individual and unit readiness late in the force-generation cycle and after mobilization. Such steps include addressing medical and dental issues and transferring personnel from nondeployed to deploying units to fill shortages. For example, according to Army mobilization officials, one unit that mobilized in September 2008 required the transfer of more than 900 soldiers, or 22 percent of the 4,122 required personnel, from other units within 2 weeks of its mobilization date in order to fill shortages and man the unit to a deployable level. Further, our surveys of and interviews with 24 recently deployed reserve component units found that nearly all of those units had to receive personnel transfers from outside their units to achieve the required personnel levels for deployment. According to Army officials, such transfers disrupt unit stability and cause personnel turbulence at a time when the units are working to attain collective training proficiency in preparation for deployment. Additionally, Army officials stated that personnel transfers disrupt premobilization training plans when they occur within the last 6 months prior to a unit's mobilization date because more training has to be done after mobilization, which reduces operational availability to theater commanders. For these reasons, one of the chief lessons learned reported in a 2008 Army study of pre- and postmobilization is that early assignment of personnel and stabilization of deploying units is necessary to make efficient use of training time and build a cohesive force so that the units can efficiently achieve required levels of collective training proficiency and provide as much operational availability as possible to theater commanders.

**The Army Faces Challenges  
Providing the Equipment  
Needed to Train Reserve Units  
for Ongoing Operations and  
Meeting Longer-Term  
Equipping Goals**

Although the Army has taken steps in recent years to improve reserve component equipment inventories, it faces challenges in equipping units for training while supporting current high operational demands and, over the long term, may face challenges in meeting its equipment goals amid competing demands for resources. From 2003 to 2010, the Army requested \$22.7 billion in its annual appropriations to equip the Army National Guard and Army Reserve.<sup>45</sup> Despite this effort, the Army National Guard reported in October 2008 that it had 76 percent of its required equipment with only

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<sup>45</sup>The Office of the Assistant Secretary of Defense for Reserve Affairs, Deputy Assistant Secretary of Defense (Material and Facilities) reports that from 2003 to 2009 Congress added \$7.3 billion in funding for Army National Guard and Army Reserve equipment in either DOD's appropriations or in the National Guard and Reserve Equipment Appropriations. We did not evaluate the accuracy or reliability of these amounts.

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63 percent of the required items located within the United States and available for training use. Similarly, the Army Reserve reported that it had 74 percent of its required equipment with only 67 percent of the required items located within the United States.

The Army is finding it difficult to provide units access to the same equipment for training that they will use overseas so they can attain training proficiency before they deploy. The demand for some items, such as mine resistant ambush protected vehicles and night vision equipment, has increased across the Army as operations have continued, and equipment requirements to support ongoing operations continue to evolve. As previously reported, these evolving requirements have made it difficult for the Army to communicate to deploying units what equipment will be needed in-theater and has challenged the reserve components to identify and transfer the right items.<sup>46</sup> Moreover, the Army has directed reserve component units returning from overseas deployments to leave in-theater certain essential equipment items that are in short supply for use by follow-on forces. While this equipping approach has helped meet operational needs, it continues the cycle of reducing the pool of equipment available to nondeployed forces for unplanned contingencies and for training. We have previously reported that the continuing strategy of transferring equipment to deploying forces hampers the ability of nondeployed forces to train for future missions.<sup>47</sup>

Furthermore, the transformation to the modular structure has also placed demands on the Army's equipment inventories because it requires modular units to have modern equipment as well as increased quantities of some items. Similarly, the initiative to expand the Army, which added six brigade combat teams and additional modular support units<sup>48</sup> to the overall Army force structure, required equipment and placed additional demands on the Army's inventories.

A 2008 Army study of lessons learned from the deployment of five Army National Guard Brigade Combat teams found that equipment shortages adversely affected the deployment training of these units and increased

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<sup>46</sup>GAO-06-111.

<sup>47</sup>GAO-06-111.

<sup>48</sup>The modular support units include two combat support brigades, one fires brigade, one air defense brigade, one engineer brigade, and two sustainment brigades.

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the amount of time required to obtain collective training proficiency.<sup>49</sup> This study noted that training on the equipment a unit will use in-theater is essential to ensure tasks, conditions, and standards are met during premobilization training. However, the Army has not been able to provide some equipment to units to accomplish their training either prior to mobilization or deployment.

During our interviews with reserve component units that had returned from deployment within the past year, we found several instances where units did not train with the same equipment before they deployed that they used in theater. As a result, they had to accomplish this training in-theater, effectively reducing their operational availability to theater commanders. For example:

- A National Guard transportation company did not have the opportunity to train before mobilization with the armored trucks they drove in-theater. According to unit officials, these models maneuver differently and drivers need to practice driving the armored version. To accomplish this training, soldiers trained with armored versions upon arrival in-theater.
- A National Guard engineering battalion told us they did not have access to the heavy equipment transporter or cranes used in-theater when it was training at the mobilization station. Instead, soldiers trained with similar equipment before they deployed and then trained on some of the equipment upon arrival in-theater.
- National Guard officials from an aviation battalion told us that they did not have an opportunity to train on some equipment they used in-theater, including global positioning systems, communications systems, and intelligence systems. Instead, they trained on the equipment with the unit they were relieving after they arrived in-theater.
- An Army Reserve transportation company had to wait until it was in-theater to train on a pallet loading system.

Over the long term, the Army faces challenges in meeting its equipping goals amid competing demands for resources. The National Guard and Reserve Equipment Report for Fiscal Year 2009 included estimates of the resources required for the Army National Guard to achieve the 100 percent equipping goal by 2019. The report estimated that the Army National Guard will require an additional \$6 billion each year from 2014 to 2019 to achieve the 100 percent goal, not including the \$36.8 billion included in the Future Years Defense Program from 2005 to 2013 to purchase equipment.

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<sup>49</sup> Army Forces Command, *Pre- and Post-Mobilization Comprehensive Review*.



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In addition, this report estimated that the Army Reserve will need \$1.6 billion each year over its 2009 to 2015 projected spending plan to reach its equipping and modernization goals.

Despite the magnitude of the Army's projected investment in its reserve components, until operational demand eases, it seems unlikely that the Army will be able to achieve DOD's goal of a sustainable mobilization cycle for its reserve forces or fully implement the train-mobilize-deploy model. It is also not clear how long reserve component forces can sustain the current high pace of operations without difficulties in recruiting and retaining reserve component soldiers or compromising the viability of the all-volunteer citizen soldier reserve components, which are an important national resource critical for both domestic and overseas missions.

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## The Army Has Estimated and Budgeted for Some Costs to Transition Its Reserve Components to an Operational Force, but Has Not yet Finalized an Implementation Plan and Funding Strategy

The Army has estimated and budgeted for some costs that relate to the transition of its reserve components to an operational force, but the full cost of the transition remains uncertain and could vary widely from the initial estimates depending on Army decisions. The Army has decided to include the majority of funding needed for this effort in its fiscal year 2012 to 2017 projected spending plans<sup>50</sup> after costs are clarified by ongoing studies. However, the Army has not yet completed an implementation plan and funding strategy that fully describe the key tasks necessary for the transition, establish timelines for implementation, and identify metrics to measure progress.

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<sup>50</sup>The Army's projected spending plans are contained in its Program Objective Memorandum, which defines what the Army intends to do over a 6-year program period and presents the Army's proposal for a balanced allocation of its resources within specified constraints.

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Army Has Prepared Some Preliminary Cost Estimates for the Transition to an Operational Role, but Actual Costs Could Vary Widely Depending on Army Decisions

The Army has developed and updated a preliminary estimate of the costs that are not already included in its budget and Future Years Defense Program for the operational transition, but actual costs could vary widely from the estimates depending on Army decisions, such as which cost categories are essential for an operational reserve and the level of resources that will be required. In response to initiatives established by the Chief of Staff of the Army in April 2007, the Army formed a working group to develop a concept plan to complete six critical transition tasks. These tasks include (1) adapting pre- and postmobilization training; (2) adapting forces that perform key functions such as training, equipping, construction, and maintenance; (3) providing Army incentives to retain citizen soldiers and support their families; (4) modifying reserve component premobilization equipping strategies; (5) updating human resource management processes; and (6) revising statutes, policies, and processes.

As a part of this effort, the Army developed a preliminary cost estimate for those transition tasks that were not already included in the Army's budget or program. The intent of the preliminary cost estimate was to determine the magnitude of the additional costs required to complete the transition in order to assess the feasibility of the effort and provide estimates that Army leadership could use in developing its projected spending plans for fiscal years 2010-2015. The working group estimated an incremental cost of about \$28 billion for fiscal years 2010-2015 for the transition. However, the Army continued to examine the estimates for pre- and postmobilization validation, training support, and installation support. As a result of ongoing studies, the Army decided to report a cost range of between \$24.4 billion and \$28.1 billion depending on implementation decisions. Of that total, the primary cost driver was for increasing full-time support, estimated at \$12.8 billion over the period.

In 2009, the Army revised its estimates to incorporate updated assumptions for some cost categories. Specifically, the estimates

- increased costs for medical readiness to reflect expanding medical treatment to reservists throughout the phases of the force-generation cycle;
- decreased costs for full-time support, which, according to Army officials, will provide 80 percent of the strategic reserve requirement rather than 100 percent of the strategic reserve requirement;
- increased costs for the Army Reserve homeland defense pilot program to include the cost of incentives for high-priority units; and

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- increased premobilization training costs to incorporate updated cost factors for items such as participation rates, pay and allowances, and inflation.

At the time of this report, the Army had not completed updates for other cost categories such as recruiting and retention, information technology, predeployment training equipment, new equipment training, second-destination transportation, premobilization training, and community services. The most recent Army estimates show a cost range from \$12.7 billion to \$27 billion over a 6-year period. Table 2 shows the cost categories and the amounts the Army estimated in 2008, categories updated in 2009, and a summary incorporating the most recent Army estimates.

**Table 2: Cost Estimates to Transition the Reserve Components to an Operational Force**

Dollars in millions

<b>Cost category</b>	<b>2008 Army cost estimate<sup>a</sup></b>	<b>2009 updates to the estimate</b>	<b>GAO summary using the most recent Army estimate</b>
Pre- and postmobilization validation and training support	0 to 481 <sup>b</sup>	Under study <sup>c</sup>	0 to 481 <sup>c</sup>
Installation support	0 to 144 <sup>b</sup>	Under study <sup>c</sup>	0 to 144 <sup>c</sup>
Predeployment training equipment, new equipment training, second-destination transportation	4	Not updated	4
Recruiting and retention	563	Not updated <sup>d</sup>	563
Medical readiness <sup>e</sup>	147	170 to 930	170 to 930
Unit validation tracking system	5	Not updated	5
Additional days for generating force	6	Not updated	6
Defense health program for full-time support	142	Under study <sup>c</sup>	142 <sup>c</sup>
Full-time support <sup>f</sup>	1,996	0 to 1,000 <sup>c</sup>	0 to 1,000 <sup>c</sup>
Army Reserve homeland defense pilot program (i.e., ready response reserve unit pilot program)	9	16	16
Information technology / secure internet / bandwidth	89	Not updated <sup>g</sup>	89
Premobilization training	349	370	370
Duty military occupational specialty qualification and schoolhouse support	42	Not updated	42
Temporary full-time support	122	Under study <sup>c</sup>	122 <sup>c</sup>
Increase annual training and inactive duty for training	560	Under study <sup>c</sup>	560 <sup>c</sup>
Increase surge capacity in training pipeline	Not included	Under study <sup>c</sup>	No estimate yet available <sup>c</sup>
Providing Army community services to reserve components (includes Yellow Ribbon)	31	Not updated <sup>h</sup>	31
<b>Annual total</b>	<b>\$4,065 to \$4,689</b>		<b>\$2,120 to \$4,505 plus costs not yet estimated</b>
<b>Total over 6 years</b>	<b>\$24,388 to \$28,136</b>		<b>\$12,720 to \$27,030i plus costs not yet estimated</b>

Source: GAO analysis of Army data.

<sup>a</sup>The costs in this column were obtained by dividing the total costs the Army identified over the fiscal years 2010-2015 time period by 6 to obtain a per year cost. The cost categories, assumptions, and methodology for the 2008 estimate were based on the Army's 2007 reserve component utilization technical guidance memorandum. This memorandum outlines program intent with respect to resourcing the Army's vision and provides instructions for building the budget.

<sup>b</sup>These costs were still being studied by the Army at the time of the analysis.

<sup>c</sup>Ongoing studies are examining these potential costs.

<sup>d</sup>According to Army officials, the Fiscal Year 2010 President's Budget Request includes \$1.9 billion for reserve component recruiting and retention.

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<sup>e</sup>The 2008 estimate included man-days for medical and dental screening only. The 2009 estimate includes medical treatment for soldiers; the cost range depends on whether soldiers in all phases of the force-generation cycle are provided treatment or just those in the later phases.

<sup>f</sup>Amount varies depending on the number and rate of increase.

<sup>g</sup>According to Army officials, the Fiscal Year 2010 President's Budget Request includes \$176 million for this category. In addition, \$43.6 million was included in the Fiscal Year 2009 Supplemental Request for Overseas Contingency Operations.

<sup>h</sup>According to Army officials, the Fiscal Year 2010 President's Budget Request includes \$123 million for this category.

<sup>i</sup>The 6-year totals were obtained by multiplying the per-year cost by 6 to obtain a rough order of magnitude for comparison purposes only. These costs have not been adjusted for inflation, and some fixed costs, such as secure internet, may decrease over the period.

According to Army officials involved in cost estimating, the transition costs could vary widely from the initial estimates for four key reasons. First, the Army has not yet defined which cost categories are essential for an operational reserve component, so costs could be added or removed from the estimate. For example, the Army has not decided whether activities recommended by the Commission on National Guard and Reserves, such as providing housing allowance for activated reservists and reimbursing certain reservists for travel, are essential for an operational reserve and should be included as transition costs. Estimated costs for implementing these recommendations were not included in the preliminary estimate or the 2009 updates and, if included, could significantly increase costs. The Army has estimated that providing housing allowance for activated reservists could add from \$170 million to \$400 million annually and reimbursing travel expenses for certain reservists participating in individual training would add about \$580 million annually. The Army has not estimated costs to implement other commission recommendations, such as the costs to increase the capacity of training institutions and increase staff support to the Employer Support of Guard and Reserves program.<sup>51</sup> Second, the Army has not decided on the level of resources that will be required in other cost categories. For example, the Army has not established the specific personnel, training, and equipment levels its reserve components will require in each phase of the force-generation cycle. Third, several studies are underway to examine the level of resources required for full-time support, medical and dental

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<sup>51</sup>The Department of Defense carries out its responsibilities for educating servicemembers and employers about their rights and responsibilities under the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. Sec. 4301–4334) and assisting reservists in resolving problems with their civilian employers related to reserve component service, largely through its National Committee for Employer Support of the Guard and Reserves.

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benefits, and incentives changes for the operational role. If readiness requirements, full-time support, medical and dental benefits, or incentives are increased above current levels, costs for the transition to the operational role could increase. Finally, neither estimate includes any recurring or sustainment costs beyond 6 years; costs for incentives, policy, or legislative changes required for the operational role; or costs for implementing the human resource initiatives designed to increase flexibility for reservists transitioning to and from active duty—referred to as the “continuum of service initiatives”—that the Army has identified as critical to the transition.<sup>52</sup> Moreover, costs that the Army considered part of other Army initiatives, such as increasing reserve component equipping levels or expanding the Army, were not included.

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**The Army Plans to Include the Majority of Estimated Transition Costs in Its Fiscal Year 2012 to 2017 Projected Spending Plans, but It Has Not Finalized an Implementation Plan and a Funding Strategy for Achieving Its Goals**

According to Army officials, The Fiscal Year 2010 President’s Budget Request includes some funding that supports the reserves’ operational role, but the Army plans to include the majority of funding for transition costs in its fiscal year 2012-2017 projected spending plans after it obtains more information on the resources needed to support the operational role. Army officials identified \$2.2 billion in The Fiscal Year 2010 President’s Budget Request that the Army considers as supporting the transition to the reserves’ operational role. Specifically, the fiscal year 2010 budget includes \$123 million for community services (family support); \$34 million for dental care to facilitate timely mobilization; \$176 million for information technology, secure internet, and bandwidth; and \$1.9 billion for reserve component recruiting and retention.<sup>53</sup>

In addition, Army officials stated that \$779 million of the funds requested in DOD’s fiscal year 2009 supplemental request for overseas contingency operations will also contribute to the transition to an operational force. For example, Army officials identified funding requested for items such as installing secure internet capability to reserve component units, temporary full-time support staff, additional training days, and other costs as contributing to the transition. However, it is not clear from Army documents how much of the transition costs identified in the preliminary

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<sup>52</sup>Facilitating a “continuum of service” refers to a variety of human resource initiatives that are intended to increase the efficiency of Army human resource management processes that affect a reservist over the course of a career.

<sup>53</sup>At the time of this report, Army officials stated that DOD had not developed and provided to Congress its future budget and program plans.

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cost estimates are included in the fiscal year 2009 supplemental or 2010 budget request.

Although, in an information paper provided to Congress in February 2008, the Army stated that its fiscal years 2010 to 2015 projected spending plans would capture the required capabilities to begin the formal transformation of the reserve components to an operational force, the Army has decided to defer including the majority of those resources until the fiscal years 2012 to 2017 projected spending plans. According to Army officials involved in estimating transition costs, the Army needed more information on the resources required for the reserve components to meet operational readiness requirements, such as levels of medical support and full-time support. Army officials noted that accurately estimating costs for the transition is challenging because specific information about the levels of personnel, equipment, training, and full-time support required of an operational reserve component in each phase of the Army's force-generation cycle has not been developed. Army officials have stated that more specific metrics, such as the level of training proficiency required in each phase of the cycle, would help them to develop a more refined cost estimate for the transition.

In February 2008, the Army formed a temporary task force to develop a comprehensive, coordinated implementation plan to transition the Army's reserve components from a strategic reserve to an operational force. At the time of this report, the task force had developed a draft implementation plan that identifies some of the key tasks, an approximate 10-year timeline to complete transition tasks and incorporate associated costs into the base budget, and some measures of success. According to Army officials, the Army is awaiting agreement on this plan, as well as the results of several ongoing studies, before it incorporates any additional transition costs into the fiscal year 2012 budget and program.

In the meantime, the Army continues to utilize its reserve components as an operational force without a complete and approved implementation plan that clearly defines what tasks and costs are essential to the transition or a comprehensive funding strategy that identifies a timeline and funding sources for key transition tasks. According to DOD's directive that governs managing the reserve components as an operational force, it is DOD policy that the reserve components shall be resourced to meet readiness requirements of federal missions and that resourcing plans shall ensure visibility to track resources from budget formulation, appropriation, and allocation through execution. Additionally, best practices for strategic planning have shown that effective and efficient

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operations require detailed plans outlining major implementation tasks, defined metrics and timelines to measure progress, a comprehensive and realistic funding strategy, and communication of key information to decision makers. However, at the time of this report, the task force had not yet identified specifics for key tasks such as adapting the training base and institutional support functions, identifying measures of success for all transition tasks—such as synchronizing training cycles, sustaining volunteerism, and implementing human resource initiatives—and developing a resourcing strategy. In addition, the draft implementation plan does not explain how other Army initiatives, such as increasing the Army's end strength or transforming to the modular force contributes to the overall goal of transitioning the reserve components to an operational force.

According to Army officials, the task force is scheduled to disband in September 2009, and it is not clear who will have responsibility for managing the implementation of the transition to the operational role and tracking progress over the long term. Without an approved implementation plan that fully describes the key tasks necessary for the transition, establishes timelines for implementation, and identifies metrics to measure progress, it will be difficult for the Army to gauge whether it is moving toward its goal of fully supporting the transition of the Army National Guard and Army Reserve to operational roles. Furthermore, Congress will continue to have only a partial view of the potentially substantial cost and time required to complete the transition.



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## States Use Mutual Support Agreements to Mitigate Effects of National Guard Deployments, although Some Domestic Requirements Remain Undefined

The deployment of National Guard units as a federal operational force has reduced their availability for domestic missions, but the effect on the states remains unclear because states have mitigated shortfalls through mutual support agreements and requirements for some domestic missions, such as responding to large multistate events, remain undefined. In general, National Guard members may only serve in one duty status at a time.<sup>54</sup> Unless they are activated under Title 10, Guard members remain under command and control of the state governors in either state active duty or Title 32 status. When National Guard members are activated for federally controlled Title 10 duty, their Title 32 status generally stops and then begins again when they are released from Title 10 active duty.

Under the Army's force-generation model as designed, there is the potential for units to be unavailable to state governors for 1 year with 5 years between federal mobilizations. However, according to Army and state National Guard officials, the reality of the current operational environment is that National Guard units deploy more frequently and are unavailable to state governors for about 1 year every 3 years. For example, Washington's brigade combat team deployed in 2008 after 3-1/2 years at home.

The effect of the operational role on the National Guard's domestic readiness remains unclear because states have taken steps to mitigate any known shortfalls and, as we have previously reported, DOD, the Department of Homeland Security, and the states have not defined requirements, readiness standards, and measures for the National Guard's domestic missions that are likely to be conducted in Title 32 status.<sup>55</sup> Since National Guard units have begun deploying for their federal missions,

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<sup>54</sup>Section 325 of Title 32 of the U.S. Code provides members of the National Guard with relief from Guard duty when ordered to active duty. It also provides an exception that allows a National Guard officer to continue to serve in Title 32 status after activation under Title 10 if the dual status is authorized by the President and consented to by the officer's state governor.

<sup>55</sup>Prior GAO work found that, although states plan for the National Guard's use in missions within their borders, they have only planned to a limited extent for the Guard's use in large-scale, multistate events such as those described in the Homeland Security Council's national planning scenarios. We also reported that, while DOD is taking steps to better assess the National Guard's preparedness for its domestic missions, these efforts are not yet complete and are limited by the lack of fully identified requirements for the Guard's domestic missions. We further concluded that until the National Guard's required capabilities are better defined and tracked, decision makers will lack information on whether the Guard has the equipment it needs to respond effectively to large-scale, multistate events.

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states have made plans to compensate for any shortfalls in availability of their Guard forces either by relying on other capabilities and resources within the state or by relying on assistance from other states obtained through mutual support arrangements. National Guard officials from all of the four states that we visited reported that they routinely coordinate with other states and utilize mutual assistance agreements to ensure they can respond effectively to domestic requirements when state forces are deployed. For example, officials in Florida voiced a particular concern because a brigade combat team of more than 3,400 people would be deployed during the 2010 hurricane season. However, they noted that they routinely coordinate with other southeastern states to ensure that forces and capabilities that could be needed to respond to hurricanes are available within the region, and they anticipated being able to respond effectively. In addition, according to Washington National Guard officials, while they have typically been able to assign domestic response missions to units that are outside their deployment window, this becomes increasingly difficult when a large percentage of the state's forces are mobilized. At the time of our visit, the state had almost 50 percent of its forces mobilized. Similarly, Guard officials in Virginia told us that its brigade combat team, comprising about 54 percent of the state's National Guard forces, will be deployed at the same time as the state's aviation battalion resulting in a large loss of forces and essential capabilities for domestic response missions. To mitigate for this loss, Virginia National Guard officials stated they rely on mutual support arrangements with other states and cross training of the state's soldiers. In addition, state National Guard officials told us that they would have to rely on other states to provide support in the event of a catastrophic disaster regardless of the number of soldiers the state had mobilized for federal missions.

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## Conclusions

The Army's reserve components are likely to be used as an operational force supporting regular overseas rotations for the foreseeable future, and several studies and commissions have determined there is no viable alternative to the Army's continued reliance on reservists. Although the Army has taken steps to modify its force structure and adapted its personnel and equipping strategies for the operational role, heavy operational demands have hampered the Army's efforts to implement the force-generation model as intended. For example, the Army has not established firm readiness requirements for an operational reserve component or fully incorporated the resources needed to support the operational role into its budget and projected spending plan. Although the Army continues to study key costs, incorporating the necessary resources into its budget and projected spending plan is needed to effectively

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implement the force-generation model and support the reserve components in their new role. Adapting the Army's institutions and incorporating the resources needed to support the cyclical readiness of an operational reserve component into its base budget will be a long-term effort estimated to take more than 10 years to complete. The implementation of these changes will span multiple administrations and Congresses and require many billions of dollars and, therefore, needs sound management controls to guide the effort and ensure success. The Army currently plans to request the majority of funding to complete the transition to an operational force in its fiscal year 2012-2017 budget; however, it has not finalized a cost estimate or detailed implementation plan that identifies what specific requirements have been and remain to be filled. The lack of outcome-related metrics also hampers the Army's ability to measure its progress towards fully operationalizing its reserve components and justifying the large expenditure of funds required to implement the transition. Until the Army adopts an implementation plan outlining its requirements for transitioning its reserve components to an operational force, identifying progress made to date, and detailing additional personnel and other resources required, DOD decision makers and Congress will not be in a sound position to determine the total costs to complete the transition and decide how to best allocate future funding. Moreover, without effective management controls over these initiatives to help measure progress and to accomplish effective and efficient operations, the Army risks continued challenges in preparing ready units and providing reservists a sustainable balance between military and civilian careers, which, over time, could threaten the viability of the all-volunteer citizen soldier force.

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## Recommendations for Executive Action

We recommend that the Secretary of Defense direct the Secretary of the Army to take the following three actions:

- Finalize an implementation plan for transitioning its reserve components to the operational role that describes the key tasks necessary for the transition, assigns responsibility for these tasks, defines metrics for measuring success, and establishes timelines for full implementation.
- Complete a cost estimate for the transition that, at a minimum, should include
- a clear definition of what costs the Army does and does not consider to be related to the transition to an operational force;
- estimates for key cost drivers; and
- identification of any uncertainties in the estimates due to pending changes to the reserve components' force structure, personnel, training, and

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equipping strategies or other decisions that may affect costs, and updates to the plan as these decisions are made.

- Include the costs of the transition in the Army's budget and Future Years Defense Program.

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## Agency Comments and Our Evaluation

The Assistant Secretary of Defense for Reserve Affairs provided written comments on a draft of this report. The department agreed with each of our recommendations. DOD's comments are reprinted in their entirety in appendix II.

DOD agreed with our recommendation that the Secretary of Defense direct the Secretary of the Army to finalize an implementation plan for transitioning its reserve components to the operational role. In its comments, it cited DOD Directive 1200.17 that directs the Secretaries of the military departments to manage their respective reserve components as an operational force such that they provide operational capabilities while maintaining strategic depth. However, this directive does not provide detailed direction on how the services should transition the reserve forces, and we believe that a detailed plan is necessary to ensure key tasks in managing the reserves as an operational force are completed. DOD also drew a distinction between managing the reserve components as an operational force and transitioning reserves to an operational force. In this report, we defined transitioning reserves to an operational force as implementing those steps necessary to adapt the Army's institutions and resources to support the cyclical readiness requirements and implement the "train-mobilize-deploy" model. We believe that completing a detailed implementation plan that describes key tasks necessary for the transition, assigns responsibility for these tasks, defines metrics for measuring success, and establishes time lines for full implementation is an essential part of transitioning the reserve components to an operational force.

DOD agreed with our recommendation that the Secretary of Defense direct the Secretary of the Army to complete a cost estimate for the transition that includes a definition of costs, estimates for key cost drivers, and areas of uncertainties, such as pending policy decisions, that may affect costs. However, the department did not describe the steps it will take to complete the estimate. We therefore believe the Secretary of Defense should provide specific direction and guidance as outlined in our recommendation.

DOD agreed with our recommendation that the Secretary of Defense direct the Secretary of the Army to include the costs of the transition in

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the Army's budget and Future Years Defense Program. In its comments, DOD noted its published guidance, Directive 1200.17, that resourcing plans should ensure visibility to track resources from formulation, appropriation, and allocation through execution. However, as discussed in the report, the Army does not plan to include the majority of the estimated costs for transitioning its reserve components to an operational role until fiscal year 2012. Until the Army includes the resources required in its future spending plans it will be hampered in its ability to transition its reserve components to the operational role.

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We are sending copies of this report to other appropriate congressional committees and the Secretary of Defense. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>. Should you or your staff have any questions concerning this report, please contact me at (202) 512-3489 or [pendletonj@gao.gov](mailto:pendletonj@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix III.



John H. Pendleton  
Director, Defense Capabilities and Management

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# Appendix I: Scope and Methodology

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To conduct our work for this engagement, we analyzed data, reviewed documentation, and interviewed officials from the Office of the Under Secretary of Defense for Personnel and Readiness, the Office of the Under Secretary of Defense Comptroller, the Office of the Assistant Secretary of Defense for Reserve Affairs, the Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs, Headquarters Department of the Army, U.S. Army Forces Command, First Army, the National Guard Bureau, the Army National Guard, the Office of the Chief of the Army Reserve, the U.S. Army Reserve Command, RAND Corporation, and the Institute for Defense Analysis. We also reviewed documentation and interviewed officials from offices of National Guard Adjutants General in four case-study states: Florida, Missouri, Virginia, and Washington. These states were selected because they had a history of major disaster declarations; are geographically dispersed across the United States; have a brigade combat team presence or a Chemical, Biological, Radiological, Nuclear, and high-yield Explosive (CBRNE) Enhanced Response Force Package (CERFP) team (which are units that are dual-tasked with domestic responsibilities) or both; face a range of homeland security risks; and present a range of population sizes.

To identify the extent to which the Army has made progress but faces challenges in modifying the force structure, manning, and equipping strategies of its reserve components to meet the requirements of the operational role, we reviewed prior GAO work, reports of the Commission on the National Guard and Reserves, reports to Congress on related initiatives and issues, current Army plans and policy documents, including the Army Campaign Plan, Army Structure Memorandums, Army Forces Command's concept plan for Army Initiative 4 (transition the reserve components to an operational force), Army Forces Command's 4 + 1 Army National Guard Brigade Combat Team Comprehensive Review, the National Guard and Reserve Equipment Report, DOD Directive 1200.17, Managing the Reserve Components as an Operational Force, and Headquarters Department of the Army Execution Order 150-18 Reserve Component Deployment Expeditionary Force Pre- and Post-Mobilization Training Strategy. We also reviewed Army data on actual and planned modular unit restructuring, total force structure changes, and the expected number of reserve component soldiers available each year at varying mobilization rates under the currently planned rotational force structures in order to assess changes made to the reserve components' force structure for the operational role. In addition, we reviewed Army National Guard and Army Reserve force-structure allowances, personnel end strength, and equipment on hand to assess the extent to which the Army and reserve components have made changes to more fully man and equip

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units for the operational role. Further, we incorporated information from surveys of a nonprobability sample of 24 Army National Guard or Army Reserve units, as well as follow-up interviews with officials from 15 of these units. We selected units of different types and sizes that had returned from deployments in the last 12 months. In addition, we chose the proportion of Army National Guard and Reserve units for our sample based on the proportion of mobilized forces from each of the components. The surveys and interviews addressed a range of training, equipment, and personnel issues. We supplemented this information by reviewing documents and interviewing officials from DOD, Army, National Guard Bureau, Army National Guard, Army Reserve, U.S. Army Forces Command, and First Army to discuss planned and ongoing policy and strategy changes for transitioning the reserve components to an operational force. Further, we incorporated information from interviews with officials from offices of National Guard Adjutants General in case-study states.

To determine the extent to which the Army has estimated costs for the transition of the reserve components to an operational force and included them in its current budget and Future Years Defense Program, we reviewed DOD's fiscal year 2009 supplemental appropriations request and DOD's fiscal year 2009 and 2010 budget requests. We also examined the Army's cost estimates for operationalizing the reserve components, including Army Forces Command's concept plan for Army Initiative 4 (AI4)—transitioning the reserve components to an operational force—and a Center for Army Analysis cost-benefit analysis of the AI4 concept plan. In addition, we interviewed officials from DOD, the Army, Army Forces Command, the National Guard Bureau, the Army National Guard, and the Army Reserve in order to understand assumptions made in estimating the cost for transforming the reserve components to an operational force, to assess the extent to which those costs have been included in DOD's budget and Future Years Defense Program, and to identify whether the Army has an implementation plan that includes the full cost of the transition.

To determine the effect of the National Guard's federal operational role on its availability to state governors for domestic missions, we reviewed relevant sections of Titles 10 and 32 of the U.S. Code, and DOD directives regarding management of the reserve components as an operational force and National Guard homeland defense activities. We also conducted interviews with the National Guard Bureau and offices of National Guard Adjutants General in the four states chosen for our case study concerning the possibility of conflicts between the states' National Guard

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requirements and Title 32 requirements related to the operational role of the National Guard. Further, our review of prior GAO work, along with the interviews with officials from the National Guard Bureau and case-study states, allowed us to assess whether the requirements of the National Guard's operational role may affect the availability or readiness of National Guard forces for domestic missions.

We conducted this performance audit from July 2008 through July 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



# Appendix II: Comments from the Department of Defense



RESERVE AFFAIRS

ASSISTANT SECRETARY OF DEFENSE  
1500 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1500

SEP 8 2009

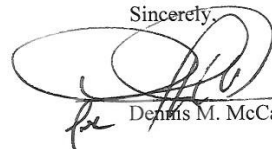
Mr. John Pendleton  
Director, Defense Capabilities and Management  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, DC 20548

Dear Mr. Pendleton:

This is the Department of Defense (DoD) response to the GAO draft report, GAO-09-898, "RESERVE FORCES: Army Needs to Finalize an Implementation Plan and funding Strategy for Sustaining an Operational Reserve Force, dated July, 2009." The Department has comments on the draft report, and concurs with the recommendations. The Department's comments are attached.

The primary action officer within DOD for this report is COL Bernard J. Hyland. He can be reached at (703) 693-8611.

Sincerely,

  
Dennis M. McCarthy

Principal  
Deputy

Attachment:  
As stated



GAO DRAFT REPORT – DATED JULY 24, 2009  
GAO CODE 351378/GAO-09-898

"RESERVE FORCES: Army Needs to Finalize an Implementation Plan and Funding  
Strategy for Sustaining an Operational Reserve Force"

DEPARTMENT OF DEFENSE COMMENTS  
TO THE RECOMMENDATIONS

**RECOMMENDATION 1:** The GAO recommends that the Secretary of Defense direct the Secretary of the Army to finalize an implementation plan for transitioning its reserve components to the operational role that describes the key tasks necessary for the transition, assigns responsibility for these tasks, defines metrics for measuring success, and establishes timelines for full implementation:

**DOD RESPONSE:** Concur

DoDD 1200.17 directs the Secretaries of the Military departments to manage their respective Reserve Components as an operational force such that the RCs provide operational capabilities while maintaining strategic depth to meet U.S. military requirements across the full spectrum of conflict.. A clear distinction must be maintained between managing the reserve components as an operational force vice "transitioning to an operational force", which implies that the entire RC force will be utilized in an operational mode at all times. Managing the RC as an operational force recognizes the need to ensure that, while providing strategic depth, RC units and individuals train and are available for missions in accordance with the National Defense Strategy.

**RECOMMENDATION 2:** The GAO recommends that the Secretary of Defense direct the Secretary of the Army to complete a cost estimate for the transition that, at a minimum, should include:

- A clear definition of what costs the Army does and does not consider to be related to the transition to an operational force;
- Estimates for key cost drivers; and
- Identification of any uncertainties in the estimates due to pending changes to the reserve components' force structure, personnel, training, and equipping strategies or other decisions that may affect costs, and updates to the plan as these decisions are made.

**DOD RESPONSE:** Concur.

**RECOMMENDATION 3:** The GAO recommends that the Secretary of Defense direct the Secretary of the Army to include the costs of the transition in the Army's budget and Future Years Defense Program.

**DOD RESPONSE:** Concur

DoDD 1200.17 directs the Services to ensure the RCs are resourced to meet readiness requirements per sections 3013, 5013, and 8013 of Title 10, United States Code and that RC resourcing plans shall ensure visibility to track resources from formulation, appropriation, and allocation through execution.

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

John Pendleton, (202) 512-3489 or [pendletonj@gao.gov](mailto:pendletonj@gao.gov)

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## Staff Acknowledgments

In addition to the contact above, Margaret Morgan, Assistant Director; Melissa Blanco; Susan Ditto; Nicole Harms; Kevin Keith; Susan Mason, Charles Perdue; John Smale, Jr.; Suzanne Wren; and Matthew Young made key contributions to this report.

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# Related GAO Products

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